BRISBANE
THIS WEEK

A Baby Grows Up
Senate's Good News
Five Little Girls
$4,880,000,000

Fifty-three years ago a good American mother, weak, but happy, received in her arms a small baby, with pink face and little hair. That baby now lives in the White House, face bronzed by ocean air, hair thick at fifty-three years of age.

The baby has grown to be Franklin D. Roosevelt, President of the United States.

One hundred and twenty-five million Americans are grateful to his mother, who, happily, has lived to see her son move up, from the cradle in which she first placed him, to earth's most important place among men.

Congratulations and thanks, first of all, to President Roosevelt's mother; good wishes, congratulations and a long life to President Roosevelt.

The people of the United States are to be congratulated that by the decision of the senate they will not be pushed into the back door of the League of Nations through the World court.

Mr. Hull, secretary of state, wanted the United States to go into the World court and submit important matters affecting this country to foreign judges appointed by nations that have swindled this country out of ten thousand million dollars. Why, in heaven's name?

Those marvelous Canadian babies, the Dionne quintuplets, eight months old, are healthy, happy, each one a separate little lady of intense individuality. All pretty, all intelligent, with good foreheads, well-shaped heads. What a wonderful family! It seems almost a pity that they cannot remain babies, now, and above, through all eternity.

The house of representatives, 325 to 75, gives the President four thousand eight hundred and eighty million dollars, to be spent in accordance with his best judgment to fight depression and unemployment.

In early days a little, "small change" eighty million dollars, tacked on at the end of the large figure, would have astounded the country, for in those days millions were respectable units. Now our government unit is the billion—one thousand millions. When will the trillion start its career? The printing press could bring it.

Not content with being reduced from a great empire to a small "banker-ess" by the last Hapsburg, Austria thinks it wants another emperor and Prince Starhemberg will say which little Prince Otto shall mount the throne. That will mean smallpiece, eventually for the young prince, and a good actor spoiled for Hollywood.

Gen. William Mitchell, commander of all our flying forces in the big war, knows more about national defense than anybody in this country. He writes to a friend seventy years old, as follows:

"During your lifetime have come the electric telegraph and telephone, the gasoline engine with its accompaniment of automotive vehicles, the airplane and submarine. The world is now only one-sixth as large as when you appeared. If this development goes on, it is difficult to say what may take place in the next seventy years. Will the biological perfection of the yellow races dominate, or will the military supremacy, so far, of the white race be able to maintain our culture and standards? The world is growing so small and so increasingly regulated that one or the other will undoubtedly become master."

Mr. J. Pierpont Morgan, whose father collected pictures and other works of art, has decided to sell six pictures. The price asked is said to be $1,500,000. The older J. P. Morgan evidently bought good pictures. Two of the six pictures, already sold to the Metropolitan museum, are a portrait of "Anne of Austria," by Peter Paul Rubens, and an altar piece by Filippo Lippi. Nobody knows how much was paid originally for either picture.

A rare ten-dollar gold piece, that sold at auction for $720, right after a suggestion for government profit. At that rate, our $5,000,000,000 worth of gold could be changed into $400,000,000,000 worth, nearly all profit. Who could contradict the government if it said that was the value?

Industrialists that put 25,000,000 automobiles on the roads in this country helped their prosperity last year. The federal tax on gasoline alone paid more than $170,000,000.

Col. Roscoe Turner, who does all sorts of things with airplanes, plans a real flight around the earth, 25,000 miles, following the equator all the way, starting at Panama.

This will be the first real "around the world" flight, the others having been flights around the northern end of the world, a flight that grows smaller as you go farther north. Equatorial heat will not bother Colonel Turner. In a plane you can pick out the altitude and the temperature that you want.

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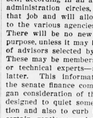
News Review of Current Events the World Over

Grand Jury Asked by Ickes to Investigate PWA Graft Charges—Future of NRA Hangs Upon Outcome of Suit Against Little Sawmill Operator.

By EDWARD W. PICKARD
© Western Newspaper Union.

"HONEST HAROLD" Ickes has been subjected to lots of abuse by congressmen and others, but he does not intend to let anything be put over on the Public Works Administration, of which he is the administrator. At his request a special grand jury has been summoned to meet in Washington on February 6 to inquire into charges of graft in the PWA. Assistant United States Attorney John W. Fihelly has the matter in hand for the government and at the present first testimony concerning the $4,000,000 canal project in Ohio. It was asserted that the contract for this project was withdrawn after Mr. Ickes' investigators had discovered evidence that there was a huge conspiracy to defraud the United States. Eight or ten persons, including federal officials, are said to be involved. Mr. Ickes himself said:


Secy Ickes

"The Public Works administration investigation division has made a long and careful study of the Texas project upon the direction of the administrator (Ickes) and presented to the attorney prosecuting officials of the government a full report for such action as they deem proper to take."

This Texas case may consume several weeks, and afterward the grand jury is expected to investigate some other projects and also charges of fraud in the War department.

ALMOST unnoticed among the spectacular issues of the day, yet of momentous importance, the case of the United States against Belcher will be set for hearing by the Supreme court within a few days. This case opens up discussion on the constitutionality of the heart of the entire NRA experiment—the power of the federal government to regulate wages and working hours through codes.

Upon the refusal of a small Alabama sawmill operator to comply with the code hangs the entire fate of the NRA, for if the government loses there will be nothing left of NRA except an empty statement of doubtful constitutionality. If the government cannot control wages and hours in the production of goods destined for interstate commerce, there is a strong likelihood that the course of legislation to extend the NRA beyond June 16 will be strongly affected. Other cases now pending before the court touch upon certain portions of the vital question, but this case goes straight to the basic power of the recovery act. It affords a prompt and efficient determination of the fundamental issues, because there is no necessity as to facts, no technicalities of law upon which the issue can be avoided. The case comes almost as an original case, since the attorney general took advantage of legal machinery permitting an appeal directly to the Supreme court from the decision of a federal district court without recourse to the circuit Court of Appeals.

The defendant openly violated the lumber code. Instead of adhering to code provision requiring payment of 24 cents per hour for a 40-hour maximum week, he admitted paying his men 10 to 15 cents per hour and that he worked them as many hours as he saw fit.

What the government's line of defense will be is not known. The case involves all the constitutional objections which might be raised against the recovery act. Decisions of the court in the recent oil cases did not touch upon the constitutionality of the main body of the act, but involved only a special section.

WHEN the senate passes the $4,000,000,000 work relief measure, as it certainly will after all the orators get through, there will be no fussing as to who is to administer the huge fund. President Roosevelt himself, according to an authority high in administration circles, will undertake that job and will allocate the money to the various agencies as he sees fit. There will be no new set-up for this purpose, unless it may be a small group of advisers selected by Mr. Roosevelt. These may be members of the cabinet or technical experts—more likely the latter. This information was given the senate finance committee after a began consideration of the bill, and was designed to quiet some of the opposition and also to curb the ambitions of certain gentlemen who had hoped to handle the $4,000,000,000. It did not, however, silence those senators of both parties who still contend that too much power is given the President when he is handed such a vast sum to dispose of as he pleases.

A strong possibility is seen that the bill may be split into two separate parts, so that the $80 billion dollars needed for relief purposes may be passed without delay, and the senate can then take its time in considering the extraordinary measure which gives the President such unprecedented powers in spending the four billion dollars.

Part of the money may be used to put the government into the filling station business, Senator Elmer Thomas (Dem., Okla.) revealed. Gasoline stations may be erected along "self-liquidating" highways, he said. The government may also purchase land adjoining these highways and improve it with houses for rent or sale.

Little hope is seen in reporting the investigating committee before 10 when the relief funds on hand will expire. The only hope of meeting this emergency, it is pointed out, is in the possible segregation of the $80 million dollar cash relief provision from the main bill.

One development which was of interest to many was that the measure was prepared under the supervision of Major Bell, the budget director, thus making him a candidate for the "physical hangdog" advanced by Senator James Couzens of Michigan.

FEARING the anger of their aroused constituents more than the administration's whip, the senate kicked over the traces to defeat ratification of the world court protocols. The final count was seven votes short of the necessary two-thirds.

Frantic efforts to force the measure through were made by the administration. Several revolting senators were called to the White House, and the President even agreed to amendments to the resolution, but was unable to overcome the effects of thousands of protesting telegrams which had been pouring into Washington from citizens all over the country.

In private, many Democratic senators who face election in 1936 heaved sighs of relief as the measure was defeated. Administration forces accepted the verdict, apparently without rancor, although the long memory of the man in the White House is well known. Seemingly the issue is dead, for the present at least.

Senator William Borah, who with Senator Hiram Johnson, led the attack on ratification, was jubilant over the outcome, declaring that it was a great victory for the American people and for this country's traditional policy of keeping aloof from foreign entanglements.

Observers at the capital refused to view the world court vote as any indication of a spreading revolt against Roosevelt's policies, since the court controversy cut deeper than party lines. Several senators who opposed the tribunal will undoubtedly support the administration on other measures, although victory of the small band of irreconcilables who led the fight has undoubtedly added to their prestige.

THAT serio-comic "civil war" in Huey Long's domain is becoming more serious than comical and almost any day may develop into real war.

It was certified for the present at the state capitol. Two hundred armed men, directed by lead ers of the Square Deal association, seized the parish court house in East Baton Rouge and held it until it learned that one of their friends who had been arrested was released. They then dispersed with a warning from one John Appel to "be sure you have enough ammunition and be ready for the call at any time."

Ted Dilworth was in New Orleans at the time, but he hastened to Baton Rouge while Governor Allen called out some troops and proclaimed partial martial law in the capital. Huey immediately ordered the recently appointed Judge J. D. Womack to start an investigation of what he described as a plot to murder him, in which "four sheriffs and a district attorney" were involved. The senator declared:

Huey Long

"We've picked up two men, one of them was going to drive the automobile, he was all fixed up. He was going to block my car on the highway between here and New Orleans, make it stop and force me in the ditch, and then 14 of 15 were going to come along in another car and kill me.

"These may be the stuff in the Allen's car. There was sheriff's equipment, and everything."

Maybe Huey was right, for one Sidney Songy testified at the inquiry that he had been given a gun, ammunition and gas bombs to kill the senator.

Long blamed the Standard Oil company for the armed assembly of his enemies in Baton Rouge and said that unless the company stopped the "violence" his compromise with it over the 5-cent oil refinery tax would be called off.

Despite this warning another armed group of Square Dealers gathered at the Baton Rouge air field; but somebody betrayed them and a detachment of the National Guard advanced on them in battle array. The sight of the machine guns was enough for the citizenry; they surrendered, and were disarmed.

SEEN and HEARD around the National Capital

By CARTER FIELD

Washington—The new plan for government aid for financially sick railroads, to be made possible by bills just introduced with the approval of the administration in both house and senate, is a combination of scaling down the capital structure and government guarantee of bond interest. Originally, as told in these dispatches last year, the plan was to have the government guarantee the interest and principal in return for a concession by the bondholders both as to amount of the principal and rate of interest.

The new plan is a variation of this, not actually in the fundamental question involved, but in the method of approach. As in the first place, it is intended to be applied only to railroads for which there is really some economic hope. It is admitted that there are quite a few which are simply beyond saving, economically.

All the proposed legislation does is to give the RFC the right to purchase railroad bonds, regardless of their maturity date, at the market price. Therupon the RFC regards the amount paid for the bonds as a debt of the railroad to the RFC and charges the railroad the regular RFC rate. This rate is now 4 per cent.

This would not probably enable the RFC to get anywhere with the situation, were it not for another law allowing the RFC to scale down railroad debts by law. Under Section 77 of the bankruptcy act any federal court may direct a scaling down of all classes of property of any railroad if two-thirds of the holders of each class of bonds and preferred stocks approve.

Were it not for the bankruptcy act a small group of bondholders, by refusing to sell at what had been market prices, might either prevent anything from being done or force the government or the railroad company to buy them off.

Thus a 5 per cent railroad bond may be selling for 50, but the plan could not be applied because 75 per cent of the holders insisted on being paid 100. The railroad reorganization by refusal past has been blocked by such attempted holdups, and many another has been overcapitalized because the promoters paid too much to minorities.

Hits Sharpshooters

The new proposal strikes hard at these would-be sharpshooters. It would work something like this: The New York Central, just to take an imaginary name, is a fairly sound railroad, except that it is overcapitalized. It cannot possibly pay dividends on its general mortgage 7 per cent bonds, or even its first mortgage bonds. So that for the time being the bondholders are getting nothing.

As a result, the first mortgage 5s sell down to 40, and the general mortgage bonds sell down to 20. If the railroad company could buy in all these bonds at those prices, with money borrowed at 4 per cent, it could then emerge from receivership, and earn enough to pay the 4 per cent. Assuming a total of $700,000,000 on such bond issue, the interest on the general mortgage bonds would be $7,000,000 a year, and on the firsts $5,000,000 a year, a total of $12,000,000 a year. Whereas, the interest at 4 per cent on the market value of the bonds would be only $2,400,000 a year.

So appeal is made to the bondholders to agree on this plan. If two-thirds of them will consent, the RFC will buy their bonds. They will get something instead of nothing in the way of interest, and from now on will receive from their principal at maturity instead of probable nothing. Not only that, but if they act promptly, they will get practically government bonds, so that actually they need not worry in the future about whether their railroad matures money or not. For another section of the bill authorizes the RFC to exchange its own bonds, which in effect are government bonds, for the securities so taken.

All of which is apt to induce the bondholders to approve, and as only two-thirds need approve to have a court order the plan in effect, the path to reorganization on a sound basis has at least been smoothed.

Cummings on Spot

Attorney General Homer S. Cummings has jumped from No. 10 to No. 3 in the list of most criticized cabinet members since he argued before the Supreme court the constitutionality of what the government had done about the gold clauses.

He is not only being criticized by lawyers outside the administration, but by New Deal insiders. The criticism, as usually is the case, comes from two extremes—those who think he did not make the case strong enough, and those who think he made it too strong.

Instancing the latter viewpoint, a very prominent diplomat, at a recent dinner party, was asked what he thought would be the effect if the Supreme court should rule against the government.

"I would rather ask that question than answer it," he began, in true diplomatic fashion, but then, suddenly, seeing a perfect "out," exclaimed: "But I am inclined to agree with your Attorney General Cummings—that it would mean chaos."

That is exactly the kind of talk the administration does not want going on. Especially as it does not believe the effect of an adverse decision would be anything like chaos.

A representative of important financial interests in Washington has just completed a canvass of a large number of prominent constitutional lawyers who have been practicing for years before the Supreme court as to their opinion of the outcome. A very large majority thought the court would back the government. What was appalling, as a very intelligent minority did not.

But here is the interesting point about this minority view. It held that the court would probably uphold the right of the government to change the terms of private contracts, but would change the terms of government contracts.

Just Supposing

Now assume for the moment that the court will rule this way, and consider the results. The government would have to pay gold for its gold bonds on maturity. But the Supreme court has upheld the right of the government to commandeer gold at a fixed price. So that anyone holding such a bond could demand the gold, receive it, and then have it taken right away by the government at the old price. The net effect of which, so far as American holders of the bonds are concerned, would be precisely zero.

Foreign holders of such bonds, however, would not be subject to the gold commandeered at the old price. So that the net effect, assuming that the government had received gold at the old rate for foreign bonds, would cost the government, it is estimated, less than $50,000,000, not so good, but hardly chaos.

The other complication, which might minimize even this. For instance, the Hague court decision that the property of an American government has tied the matter!

What gives that worried look on the faces of treasury experts, trying to figure out the next taxes to be advocated, is the end of this session. Then comes the difficulty of devising taxes that will raise the money in the best manner, but the idiosyncrasies of which they see them—of senators and members of the house on this point, for instance, when the sales tax was proposed there was a hullabaloo from the post man's group. Whereupon food and clothing were promptly eliminated. But there hardly been a peep about the pending taxes, designed to aid agriculture, although those touch the poor man's pocketbook, such as gasoline, cigars, shirts and clothing, are slipping over most of the luxuries.

Reciprocity Treaties

Interested delay in obtaining reciprocity treaties that were to open up American exports and permit imports into this country at lower duties of goods, which would serve very much harm to American workers by being widely criticized, especially in view of the high hopes with which George Peek and Secretary of State Hull embarked on the enterprise.

The chief, if not the whole, trouble has been the "most favored nation" clauses in her treaties. Germany has any nation gotten anywhere near getting against this discrimination against her in favor of Spain and Portugal.

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GOLDEN DAWN

By PETER B. KYNE

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SYNOPSIS

Theodore Gatlin adopts a baby, which names "Penelope," in a final effort save his matrimonial troubles. But wife has never wanted her, and affairs end in the divorce court. Custody of Penelope is given into the keeping of Mrs. Gatlin. At a baseball game a ball strikes Penelope on the head. Mrs. Gatlin spirits the child to Mexico. Gatlin retires from business. Penelope all his money, and to return for a concession by the bondholders both as to amount of the principal and rate of interest.

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"This Girl, Who Doubtless in Happier Days Possessed a Single Personality and That a Normal One, Has Now Acquired a Secondary Personality."

CHAPTER III

Stephen elbowed his way into the courtroom. Nance Belden saw him, from behind the bars of the prisoner's dock. He was pale and called tersely: "Hello, Steve."

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